

VZCZCXRO6223

RR RUEHAG RUEHAST RUEHDA RUEHDBU RUEHDF RUEHFL RUEHIK RUEHKW RUEHLA
RUEHLN RUEHLZ RUEHROV RUEHSR RUEHVK RUEHYG
DE RUEHVB #0164 0441503
ZNR UUUUU ZZH
R 131503Z FEB 07
FM AMEMBASSY ZAGREB
TO RUEHC/SECSTATE WASHDC 7299
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE
RUCPDO/DEPT OF COMMERCE WASHDC

UNCLAS ZAGREB 000164

SIPDIS

SIPDIS

STATE FOR EUR/SCE, EB/TPP/IPE

E.O. 12958: N/A

TAGS: [ECON](#) [EINV](#) [KIPR](#) [HR](#) [INTELLECTUAL](#) [PROPERTY](#)

SUBJECT: NEW VIGOR IN CROATIA IPR ENFORCEMENT

REF: A) 06 STATE 184074, B) ZAGREB 100

¶1. Summary and Comment: The number of criminal charges brought by the Croatian Ministry of Interior for violations of IPR statutes rose 89% in 2006. Although Croatia's legal framework for IPR protection is in accordance with international standards, enforcement has often lagged. The fact that more cases are being brought and that several individuals even received prison sentences for IPR-related crimes, marks a very positive development and is a welcome indication that the GOC is serious about the enforcement of IPR. End Summary.

¶2. Data from the Croatian Ministry of Interior show an 89% increase in the number of criminal charges brought against individuals in 2006 for violations of Croatian IPR statutes. The Croatian police referred a total of 1,923 individual charges to the State Prosecutor's Office last year, compared to 1,018 in 2005.

¶3. Breakdown of Ministry of Interior IPR statistics on criminal charges filed in 2005 and 2006 for IPR-related offenses:

Unauthorized sale of copyrighted material:
2005: 640; 2006: 1,140;
Unauthorized production of copyrighted material:
2005: 254; 2006: 495;
Unauthorized use of trademarks:
2005: 122; 2006: 279;
Patent fraud:
2005: 0; 2006: 6;
Unauthorized performance of copyrighted material:
2005: 2; 2006: 3.

¶4. Data from the State Prosecutor's Office also indicate a trend toward more serious sanctioning of IPR violations. During 2006, six people were given prison sentences and 230 fined for IPR-related crimes, out of 535 cases taken up by the judicial system. Judicial backlogs in Croatia make it difficult to track the number of people arrested or charged with those actually tried, as some cases take years to work their way through the system.) Nevertheless, this marks an improvement from years past and seems to indicate that the judiciary is taking on a more assertive role in protecting IPR in Croatia.

¶5. Information received from Croatian Customs shows thousands of articles of counterfeit brand-name clothing, shoes and accessories seized and destroyed in 2006. Croatian officials expect that, in most cases, Croatia is not the destination country for such goods, but rather a transit point for other markets in the region.

¶6. In a separate confirmation of an improving IPR environment, the Business Software Alliance (BSA) in Zagreb reported that police inspections of businesses suspected of using unlicensed software rose 210 percent over 2005. The BSA estimates that Croatia's piracy rate is currently around 50 percent, putting it squarely within average of countries of Central Europe and ahead of other Balkan

countries.

BRADTKE